



THE CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT BUSINESS SERVICES BUREAU

MEDICAL MARIJUANA DISPENSARY APPLICATION GUIDELINES

APPLICATION PERIODS

PRIORITY GROUPS 1 & 2:

JANUARY 23, 2017 - JULY 24, 2017

NON-PRIORITY APPLICANTS:

JANUARY 23, 2017- FEBRUARY 22, 2017

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INTRODUCTION

The City of Long Beach seeks to identify and solicit applications from qualified entities or individuals to operate medical marijuana dispensaries and provide safe and adequate access of medical cannabis to patients and caregivers. Pursuant to Long Beach Municipal Code (LBMC) Chapter 5.90 (“Medical Marijuana Businesses”), applicants will compete for one or more dispensary licenses out of thirty two (32) available dispensary licenses to conduct Medical Marijuana Dispensary activities in the City of Long Beach.

BACKGROUND

The Statewide Cannabis Movement

On November 5, 1996, Proposition 215, the California Compassionate Use Act, was enacted by the voters (California Health & Safety Code 11362.5). The law makes it legal for patients and their designated primary caregivers to possess and cultivate cannabis for their personal medical use given the recommendation or approval of a licensed physician. This was expanded through SB 420 on January 1, 2004, to (i) allow patients to form medical cultivation “collectives” or “cooperatives”; (ii) establish a voluntary state ID card system run through county health departments; and (iii) establish guidelines or safe harbors as to quantities patients can possess and cultivate, protecting legal patients who stay within the guidelines from arrest.

On October 9, 2015, Governor Jerry Brown signed into law the Medical Cannabis Regulation and Safety Act (MCRSA), formerly known as the Medical Marijuana Regulation and Safety Act. The Act formed the Bureau of Medical Cannabis Regulation to oversee the licensure of medical cannabis related businesses. The Act requires a medical cannabis business to obtain both a state license (when available) **and** local license, if any, to operate; requires an attending physician to prescribe medicinal cannabis; and requires cannabis businesses to follow a “track and trace” program which will track all cannabis related products from its original plant to the final sale.

On November 8, 2016, Proposition 64, the Adult Use of Marijuana Act (AUMA), was enacted by the voters of California. The law makes it legal for adults over the age of 21 years to possess, process, transport, obtain, or give away to others 21 or older (without compensation) no more than 28.5 grams of marijuana or up to 8 grams of concentrated marijuana. It also allows for the cultivation of up to six marijuana plants for personal use. The AUMA will create a state regulatory and licensing system for the commercial sale, cultivation, testing, distribution, and manufacturing of nonmedical marijuana and marijuana products beginning in 2018.

Medical Cannabis in Long Beach

On March 23, 2010, the City Council of the City of Long Beach adopted Ordinance No. 10-0007, establishing extensive regulations and a permitting process related to the distribution and cultivation of medical marijuana in the City and adding Chapter 5.87 to the LBMC.

On October 4, 2011, the Second District Court of Appeal for the State of California issued a published opinion in the case of *Pack v. City of Long Beach*, ruling that the permitting and regulating of medical marijuana dispensaries and cultivation sites pursuant to Chapter 5.87 is preempted by the Controlled Substance Act. At the time, the ruling profoundly impacted the City’s ability to enforce regulatory measures by precluding the City from issuing any permit or

imposing any regulation that could be construed as encouraging or authorizing the possession or use of marijuana contrary to federal law.

Subsequently, on February 21, 2012, the City Council of the City of Long Beach adopted Ordinance No. 12-0004, repealing Chapter 5.87 of the LBMC and enacting Chapter 5.89 prohibiting the operation of medical marijuana dispensaries or cultivation sites in Long Beach.

On November 8, 2016, the citizens of Long Beach voted to approve Measure MM, which permits and regulates medical marijuana businesses in the City of Long Beach by repealing Chapter 5.89 and adding LBMC Chapter 5.90. LBMC Chapter 5.90 allows for medical marijuana dispensaries (including delivery businesses), manufacturing facilities, cultivation sites, distribution facilities, and laboratory testing. It also requires medical marijuana businesses to be licensed by the State under the MCRSA when the state begins issuing licenses in approximately January 2018.

On November 8, 2016, Measure MA, “Long Beach Marijuana Taxation”, passed by vote of the citizens of Long Beach. Measure MA was placed on the ballot by the City Council as a competing tax measure in order to propose alternative marijuana tax rates to those in Measure MM. Measure MA updates these tax rates to: six to eight percent (6-8%) of gross receipts for medical marijuana dispensaries; eight to twelve (8-12%) of gross receipts for non-medical (i.e., recreational) marijuana dispensaries; six to eight (6-8%) of gross receipts for processing, distributing, transporting, or testing marijuana and marijuana-related products; and twelve to fifteen (\$12-15) per square foot for marijuana cultivation. The initial tax rates for marijuana businesses will be set at the lower end of the ranges. The taxes set by Measure MA could be increased or decreased within the established ranges by the City Council, provided the maximum rates listed above are not exceeded.

DEFINITIONS

The following words or phrases, whenever used in the Medical Marijuana Dispensary Application and attached regulations, shall be given the following definitions:

- A. “Applicant” means the following: (1) The owner or owners of a proposed Medical Marijuana Business, including all persons or entities having an ownership interest greater than ten (10) percent in the business; (2) If the owner is an entity, “owner” includes within the entity each person participating in the directions, control, or management of, or having an ownership interest greater than 10 percent in the proposed business; (3) If the Applicant is a publicly traded company, “owner” means the chief executive officer or any person or entity with an aggregate ownership interest greater than ten percent.
- B. “Bona Fide Labor Organization” means a labor union that represents or is actively seeking to represent medical marijuana workers in the City of Long Beach.
- C. “Labor peace agreement” shall have the same meaning as in the California Business and Professions Code, Section 19300.5(v).

- D. “Management Employee” shall mean an employee of a Medical Marijuana Business responsible for the establishment, organization, registration, supervision, or oversight of the operation of the business, including but not limited to employees who perform the functions of president, vice president, director, operating officer, financial officer, secretary, treasurer, or manager of the business.
- E. "Marijuana" or "Cannabis" shall have the same definition provided in Health and Safety Code 11018 (as may be amended).
- F. “Medical Marijuana Business” means:
- i. Any entity or association of four (4) or more individuals that cultivates, produces, manufactures, sells, distributes, possesses, transports, delivers, or makes available medical marijuana to qualified patients and their designated primary caregivers who associate at a particular location or property within the boundaries of the City of Long Beach to collectively cultivate or distribute medical marijuana in accordance with California Health and Safety Code 11362.5, the State MCRSA, or LBMC Chapter 5.90. Medical Marijuana Business includes, but is not limited to, dispensary store front locations, cultivation facilities, and medical marijuana product manufacturers.
 - ii. Any person that cultivates, produces, sells, distributes, possesses, transports, or delivers more than six (6) mature marijuana plants or twelve (12) immature marijuana plants, and eight (8) ounces of a useable form of marijuana for medical use, pursuant to California Health and Safety Code 11362.5.
 - iii. The term Medical Marijuana Business shall not include the private possession, production, or medical use of no more than six (6) mature marijuana plants or twelve (12) immature marijuana plants, and eight (8) ounces of a useable form of marijuana by a patient or caregiver.
- G. “Medical Marijuana-infused product” means a marijuana infused edible, ingestible, or inhalable product, including but not limited to topical solutions and vaporizers.
- H. “Park” or “Public Park” shall mean publicly owned natural or opens areas set aside for active public use for recreational, cultural, or community service activities.
- I. “Priority Group 1 Applicant” and “Priority Group 2 Applicant” shall mean the entity that filed the original application under former Chapter 5.87. The Management Employee(s) or owner(s) (as defined herein) represented on the Chapter 5.87 application are not required to participate in any application submitted pursuant to LBMC Chapter 5.90. A priority applicant must be 1) an entity that was a previous lottery winner in the September 2010 Lottery under LBMC 5.87 and 2) an entity that was allowed by the City to operate after

February 14, 2012 (Exhibit A). In addition to these requirements, a priority can be deemed “Priority Group 1” if the entity applies for a dispensary using the same location it had previously occupied in 2012. A priority can be deemed “Priority Group 2” if the entity applies for a dispensary using a different location than it had previously occupied in 2012.

- J. “Property” shall mean the location or locations within the City of Long Beach at which a Medical Marijuana Business is operated.
- K. “State license,” or “registration” means a State license issued by the State of California pursuant to the State’s MCRSA for the purpose of engaging in any form of commercial cannabis activity.

PURPOSE

The purpose of this application is to solicit qualified applicants for Medical Marijuana Dispensary Business Licenses. The City of Long Beach is seeking, in particular, submissions that will be forward thinking and deploy solutions designed to reduce and address any actual or potential concern the City or surrounding businesses or residences may have.

APPLICATION

All Applicants will be required to submit a Medical Marijuana Application Packet, with required attachments, and non-refundable application fees. Only **checks** made payable to the City of Long Beach will be accepted for the application fees.

Application Fees

Zoning Review Fee	\$33.00
Development Services Review Fee	\$22.45
ADA State Mandated Fee	\$1.00
LBPD Background Investigation Fee	\$145.00 for each owner and business manager

Live Scans

Live Scans are required for all owners and business managers identified in the marijuana business license application at the time of application submission. Live Scans will need to be completed and copies of the Live Scan forms submitted with the Medical Marijuana Business License Application Packet. All employees of the business must have Live Scans completed upon hire and a copy of the Live Scan results must be included with the employee personnel file.

Live Scans may be performed by the Long Beach Police Department (LBPD) by appointment only or at a third party Live Scan provider approved by the California Department of Justice. Information regarding Live Scans can be found on the Medical Marijuana Business License website.

Applicants should complete all blank fields provided in the “Request for Live Scan Service” form included in the application materials. A separate form should be filled out for each owner

of the business receiving a Live Scan. If a business manager is identified in the application, a separate form shall be filled out for each business manager, as well.

The bottom portion of the “Request for Live Scan” form must be filled out by the person conducting the Live Scan. All applications will be considered incomplete until all Live Scans have been performed by either the LBPD or a third party Live Scan operator for each owner and business manager.

The Live Scan fee will be charged at the time of Live Scan by the LBPD or the third party Live Scan provider. Live Scan results will be sent directly to the LBPD. The LBPD will be responsible for conducting an additional background investigation upon receipt of the Live Scan results. In order to meet the requirements of LBMC Section 5.90.050, the background check will verify that owners and managers have not been convicted within the previous ten (10) years of any violent or serious felony as specified in Sections 667.5 and 1192.7 of the Penal Code or any felony conviction involving fraud, deceit or embezzlement. The background check will also verify any owners or managers that are currently on parole or probation for the sale or distribution of a controlled substance.

If, at any point, the LBPD background investigation determines that one or more of the owners is ineligible pursuant to LBMC Section 5.90.050, the application will be deemed rejected. If the LBPD background investigation determines that one or more of the business managers is ineligible pursuant to LBMC Section 5.90.050, the business will receive notice of such violation. If City staff determines that the business manager is employed by the business after such notice is given, the City may proceed with possible suspension and/or revocation of the business license.

Medical Marijuana Business License Application Packet

The Medical Marijuana Business License Application Packet must include, but may not be limited to, the following:

- 1) City of Long Beach Business License Application
- 2) Medical Marijuana Business License Application Fees
- 3) Medical Marijuana Business Application and Attachments
- 4) Medical Marijuana Dispensary Operating Plan

Please see Submittal Requirements below for detailed description of all application requirements. **Complete applications** submitted by the respective deadline will be assigned a business license account number.

Please Note:

- 1) Additional fees may be required throughout the application process;
- 2) Incomplete applications will be promptly rejected and the Applicant will be notified of the application deficiencies via mail and email. Applicants will have until the end of their respective application period to resubmit their application;
- 3) Applications will be immediately determined “null and void” if they do not comply with location requirements;
- 4) All proposed site locations will be inspected during the Phase III review to verify space and condition of space so as to determine if a dispensary has been operating prior to

- being issued a business license. If staff determines that a dispensary operation is illegally pre-existing and failed to obtain the required local and/or state licenses before operation, the application may be considered null and void, and disqualified from consideration; and
- 5) Any applicant that fails to grant access to the property for inspection will have their application immediately disqualified from consideration.

All proposed facilities will be inspected by the City of Long Beach staff to verify space and condition of space. Refusal to submit the requested documents, information, or comply with administrative regulations will automatically disqualify your business from the application process. As a reminder, you are attesting to the veracity of the information contained in this application. Any misrepresentation and/or failure to disclose, or withholding of information pertinent to this application process, including but not limited to prior operations, board and management composition, pre-constructed sites, length of time operating, etc., will result in immediate disqualification.

SUBMITTAL REQUIREMENTS

Please submit one (1) copy of the completed Medical Marijuana Dispensary Application Packet to Long Beach City Hall, 7th Floor, 333 W. Ocean Boulevard, Long Beach, CA 90802 during the designated application periods. Applications will only be accepted during normal business hours, Monday through Friday, from 7:30 a.m. to 4:30 p.m., excluding holidays. The application must be submitted in person and timestamped at the 7th Floor counter by the person dropping off the application with the assistance of City staff. The City reserves the right to accept or reject any or all applications not received on time, without appropriate attachments, or submitted at the incorrect location.

Pursuant to LBMC Section 5.90.070, Priority Groups 1 & 2 applicants have a period of six (6) months once the City first accepts applications for Medical Marijuana Dispensary Business Licenses to submit an application. All Non-Priority applicants have a thirty (30) day period to submit their applications. The application periods are displayed below:

Priority Groups 1 & 2 Application Period
January 23, 2017 through July 24, 2017

Non-Priority Application Period
January 23, 2017 through February 22, 2017

Upon submission, the Medical Marijuana Business License Application Packet shall be filled out properly with the following:

- a. All fields/questions must be answered completely.
- b. Applications must specify if the location is a priority or non-priority location. An applicant that is a priority may submit multiple applications but may only choose one application (location) to have priority status. All other applications will be viewed as non-priority.

- c. Signed by the sole owner, or by an officer of the applicant entity if not a sole ownership. In case of joint venture, an officer of each venture partner shall sign. **The signatures must be original. No photocopies will be accepted.**

A. Required Proposal Elements and Format

Submit the documents below in the following order:

1. City of Long Beach Business License Application
2. Medical Marijuana Business License Application and Attachments
3. Medical Marijuana Dispensary Operating Plan – Operating plan information is described below in the “Evaluation of Applications” section.

B. An application may be rejected for any of the following reasons:

1. The application packet is delivered to the wrong location;
2. The application is received at the designated location at or after 4:30 p.m. local time on the day of the respective deadline;
3. The application is not in compliance with the City of Long Beach’s Medical Marijuana Business License Application requirements by the application deadline;
4. The application does not contain the required elements or is not organized in the required format; and/or
5. Applications will be immediately determined “null and void” if the proposed business location does not comply with location requirements (i.e., located within buffer zones as outlined in LBMC Chapter 5.90).

APPLICATION REVIEW PROCESS

PHASE I

Medical Marijuana Dispensary Application Submission and Initial Review

Long Beach Municipal Code (LBMC) Chapter 5.90 states that certain Applicants have priority over others. Applicants will be grouped into Priority Group 1 Applicants, Priority Group 2 Applicants, or Non-Priority Applicants once an application is submitted and reviewed for completeness. In order to be considered a Priority Group 1 or Priority Group 2 Applicant, Applicants must meet the following criteria:

Priority Group 1 Criteria

1. A previous City of Long Beach lottery winner in September 2010;
2. Previous business was authorized, by the City Council, to operate after February 14, 2012; and
3. The proposed business location is the same as the previous location that was open on February 14, 2012.

Priority Group 2 Criteria

1. A previous City of Long Beach lottery winner in September 2010;
2. Previous business was authorized, by the City Council, to operate after February 14, 2012; and
3. The proposed business location is **not** the same as the previous location that was open on February 14, 2012.

An Applicant that does not fall within either of those categories will be labeled as a Non-Priority Applicant.

Business License staff will review for completeness all applications for Medical Marijuana Dispensaries that have been submitted by their respective due dates in the order received. All Applicants, including, Priority Group 1 and 2 Applicants, must submit a completed application, operating plan, and any attachments indicated with the application. Applicants that submit incomplete applications will be notified via email and mail of the deficiencies. **All deficiencies of the application must be resolved and applications must be re-submitted before the application deadline to be considered. If the City reviews an application and determines it to be incomplete after the deadline, the applicant will have no opportunity to re-submit the application and the application will be denied.**

Once an application is deemed complete, staff will review the application to determine if the proposed business location meets the requirements of the buffer zones. If any medical marijuana dispensary location does not meet the requirements of the buffer zones, the application will be rejected. Applicants will be notified via email and writing of their application denial. Applications that meet the required buffer zones will move on to Phase II.

PHASE II

Priority Group 1 and 2 Location Requirements

Priority Group 1 Applicants or Priority Group 2 Applicants that meet all required buffer zones will automatically move on to Phase III. If a Priority Group 2 location is within 1,000 feet of a Priority Group 1 location, the Priority Group 1 location is allowed to move on in the process and the Priority Group 2 location will be disqualified, regardless of when the applications were submitted. If two or more Priority Group 2 locations are within 1,000 feet of each other, the application that was submitted first based off the timestamp on the application will be allowed to move on in the process and the other Priority Group 2 applications will be disqualified. Priority applicants that are disqualified due to a violation of a buffer with another dispensary have until the end of the six-month application period to apply using an alternate location. Submission of a new application is subject to the same review as the previous application. Priority Group 1 and Priority Group 2 Applicants do not have to be evaluated under the Priority Point System described herein.

Priority Point System

All Non-Priority Applicants will be evaluated for priority based on criteria set forth in a Priority Point System pursuant to LBMC Section 5.90.070. The criteria for the Priority Point System is as follows:

Priority Point System		
Suitability of the Proposed Property		
Criteria		Points
i.	Applicant demonstrates proposed location exceeds all buffer zones by at least 500 feet	1
ii.	Proposed property possesses air scrubbers or a filtration system capable of eliminating odors from escaping the building or commitment to do so before operating	1
iii.	Proposed property is located within 1000 feet of a public transportation hub, stop, or station	1
Suitability of Security Plan		
Criteria		Points
i.	The applicant's security plan includes the presence of security personnel on premises or patrolling the premises twenty-four (24) hours per day	1
ii.	The applicant's security plan demonstrates a method to track and monitor inventory so as to prevent theft or diversion of marijuana	1
iii.	The applicant's security plan describes the enclosed, locked facility that will be used to secure or store marijuana when the location is both open and closed for business, and the steps taken to ensure marijuana is not visible to the public	1
iv.	The applicant's security plan includes measures to prevent the diversion of marijuana to persons under the age of 18	1
v.	Applicant demonstrates security measures exceeding the requirements of LBMC Chapter 5.90, including but not limited to brick or concrete constructions or additional fire and/or security alarms	1
Suitability of Business Plan and Financial Recordkeeping		
Criteria		Points
i.	The Applicant describes a staffing plan that will provide and ensure safe dispensing, adequate security, theft prevention, and the maintenance of confidential information	1
ii.	Applicant provides an operations manual that demonstrates compliance with LBMC Chapter 5.90	1
Criminal History		
Criteria		Points
i.	No Management Employee of an applicant has any felony convictions	1
ii.	Applicants without any pending criminal complaints	1
iii.	The Applicant certifies, as a condition of maintaining the business license permit, that it will not employ any person with any type of violent or serious felony conviction as specified in Section 667.5 and 1192.7 of the Penal Code or any felony conviction involving fraud, deceit, or embezzlement	1

iv.	Applicants certify as a condition of maintaining the business license permit that they will not employ as managers or employees any person with any narcotic drug related misdemeanor conviction	1
Regulatory Compliance History		
Criteria		Points
i.	Applicants have not had a permit or license revoked by the City of Long Beach	1
ii.	Applicants have not had administrative penalties assessed against their business	1
iii.	Applicants who had administrative penalties assessed against their business while Chapter 5.87 was effective (-1 point)	-1
Community Service		
Criteria		Points
i.	Applicants demonstrate involvement in the community, other non-profit associations, or neighborhood associations	1
Labor Relations		
Criteria		Points
i.	Applicant is party to a labor peace agreement or collective bargaining agreement with a bona fide labor organization	1
ii.	Applicant pays a living wage (at least 200% of the Federal Poverty Level for a family of two)	1
iii.	Applicant provides employer-paid health insurance benefits for its employees	1
iv.	Applicant provides equipment, standards and procedures for the safe operation of its facilities and engages employees on best practices	1
v.	Applicant provides training and educational opportunities for employee development	1
vi.	Applicant or entity has no previous record of violating federal or state laws relating to workplace safety, wages and compensation, discrimination, or union activity	1

All Non-Priority applications evaluated under the Priority Point System will be ranked in descending order from the application with the most points to the application with the least points. Applicants will move on to Phase III in the order that they are ranked until all available licenses have been awarded.

Public Lottery

A Public Lottery will be held if any of the following scenarios occur while awarding Non-Priority applicants to move on to Phase III:

1. There are more Non-Priority applicants with the same number of points than there are available licenses. For example, if there are only two licenses available but four applicants are tied with 10 points each.
2. Non-Priority applicant locations with the same number of points are within 1,000 feet of each other.

The notice for the Public Lottery will be sent by mail and email to all eligible applicants and posted on the City's website at least fourteen (14) days prior to the public lottery. The draft Public Lottery procedures¹ are listed below:

1. All Applicants subject to the public lottery will receive a lottery number. This number will be published on a lottery ball.
2. The lottery balls will be placed into a lottery machine and will follow the procedure below:
 - a. The lottery machine will push out one lottery ball at random.
 - b. Staff will plot the Applicant's proposed business location on a map to determine if it violates the 1,000 foot buffer between another dispensary location. If the location does not conflict, the applicant is awarded to move on to Phase III. If the location is within 1,000 feet of another dispensary, the dispensary that was plotted on the map is awarded to move on to Phase III and the other dispensary will be disqualified.
 - c. Staff will pull lottery balls until the total number of applicants reaches the maximum number of licenses to be issued.

EVALUATION OF APPLICATIONS

General Criteria

Applications for a Medical Marijuana Dispensary Business License received by the deadlines set forth above will be reviewed for completeness. Applications will be voided if Applicant fails to submit all of the required information or the proposed business location violates the following buffer zones as set forth in LBMC Section 5.90.030:

- No Medical Marijuana Business may be operated in an area zoned exclusively for residential use;
- No Medical Marijuana Business may be located within one thousand (1,000) foot radius of a public or private school (as defined in Health and Safety Code 11362.7689(h));
- No Medical Marijuana Business may be located within one thousand (1,000) foot radius of a public beach; and
- No Medical Marijuana Business may be located within a six hundred (600) foot radius of a public park or public library.

¹ Lottery procedures are subject to change. Applicants will be notified of any changes in advance of the lottery on the website and by email and mail.

Overall Operating Plan

The operating plan must meet, at a minimum, the requirements as set forth in LBMC Chapter 5.90. Each applicant should submit an operating plan generally describing their business model and plans including the hours of operation for the business. Plans will provide a description of proposed operation and completely detail the overall make-up of the corporate entity that will be operating pursuant to the business license. Each plan should detail and articulate all scope of work proposed, partnerships, property and location, relationship to owner, and provide as much detail as possible into the day to day operation of the facility. Plans should provide a description of the products and services to be provided by the medical marijuana business including the type and quantity of the marijuana product. The operating plan should also identify how cannabis will be tracked and monitored to prevent diversion and theft. Applicants should identify methods and manners in which they will provide information required by the City to track product in order to prevent diversion. The plan should also describe the procedures for cash handling and audits as well as articulate how the business will conform to the regulations of the City of Long Beach and the State of California.

Applicants should submit a narrative outlining the elements of proposed construction and improvements; timeline for proposed construction and improvements; detailing type and number of anticipated building and construction licenses that may be required and factoring in time for acquiring building and construction licenses into implementation schedule. Reviewers recognize that these items may be subject to change once license applications are submitted to building services. Such improvements will be a significant element to expediting an application if the facility is located in an existing facility used for retail.

Security

Applicants should provide a detailed description of their security plans. The security component should be broken down into operational and facility security categories. Appropriate plans will have considered all potential security threats and planned for any contingency needed for these situations. A successful applicant will have both written and physical mechanisms in place to deal with each specific situation. A detailed schematic diagram (no larger than 11" x 17") of alarm systems and security camera placements that also details when all security measures will be operational should be provided.

Operational Security

Applicants will detail their operational security including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, confidential information security, visitor security, 3rd party contractor security, and delivery security. The security plan should also demonstrate a method to track and monitor inventory so as to prevent theft or diversion of marijuana. This includes storing all finished medical cannabis products in a secured and locked room, safe, or vault, and establishing limited access areas accessible only to authorized personnel. The security plan should include measures to prevent the diversion of marijuana to persons under the age of 18. The security plan should also consider measures to prevent individuals from remaining on the premises if they are not engaging in activity expressly related to the operations of the business, and ensure that medical marijuana is not inhaled, smoked, eaten, ingested or otherwise consumed on the property, or in the parking areas of the property.

Dispensary businesses applying with a delivery service shall outline the process for real-time location tracking of the employees providing delivery, the steps taken to ensure the individual doing the delivery does not make any unnecessary stops between deliveries or deviate substantially from the manifest route, and other security measures to ensure the safe transport of marijuana products and cash. Delivery applicants should also describes steps taken to ensure that marijuana is only delivered to patients with valid medical marijuana recommendations from a licensed medical doctor authorized by State law to issue recommendations.

This list is not intended to fully capture all areas for applicant consideration but to guide applicants into thinking about all possible security concerns related to the operation of a medical marijuana dispensary. The applicant should give consideration to every possible scenario and provide a response to those scenarios.

Facility Security

Applicants should provide a description of the overall facility security. In particular, the Applicant should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems, and security personnel that will be employed. The security plan should describe the enclosed, locked facility (incorporated into the building structure, or securely attached thereto) that will be used to secure or store marijuana and cash when the location is both open and closed for business. The plan should also detail the steps taken to ensure marijuana is not visible to the public.

The facility security plan should also discuss the fire and burglar alarm systems. The plan should identify the company monitoring the alarm, and provide confirmation that the company is staffed twenty-four (24) hours a day, seven (7) days a week.

Each Medical Marijuana Business shall install and maintain a fully operational digital video surveillance and camera recording system. The facility security plan should further describe the digital video surveillance and camera recording system that will be used to monitor the front and rear of the property, all public right-of-ways and any parking lots under control of the medical marijuana business, all points of ingress and egress at the business, all points of sale within the business, all areas within the business where medical marijuana products are to be displayed for sale, and all limited access areas within the facility. The video and surveillance system shall, at a minimum, meet the following requirements:

- A. Capture a full view of the public right-of-ways and any parking lot under the control of the medical marijuana business;
- B. Be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the exterior of the property;
- C. Record and maintain video for a minimum of thirty (30) days. Video surveillance and recording records shall be held in confidence by all employees and for legitimate law enforcement activity to resolve criminal activity;
- D. Licensees are responsible for ensuring that all video or surveillance equipment is properly functioning and maintained, so that playback quality is suitable for viewing and the equipment is capturing the identity of all individuals and activities in the monitored areas;
- E. At each point of sale location, camera coverage must enable recording of the customer(s) and employee's facial features with sufficient clarity to determine identity and must record video with such clarity and resolution that all sales transactions are clearly recorded;

- F. The system shall be capable of recording all monitored areas in any lighting conditions and must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the licensed premises;
- G. A sign shall be posted in a conspicuous place near each monitored location on the interior or exterior of the premises which shall be not less than twelve (12) inches wide and twelve (12) inches long, composed of letters not less than one (1) inch in height, stating "All Activities Monitored by Video Camera" or "These Premises are Being Digitally Recorded", or otherwise advising all persons entering the premises that a video surveillance and camera recording system is in operation at the facility and recording all activity as provided in this Section;
- H. All exterior camera views must be continuously recorded 24 hours a day and all interior cameras views shall be recorded during all hours that the facility is open for business.

Any security measures that exceed these standards are highly desirable.

Community Service

Applicants should provide a detailed description of their plans to participate in community service within the City of Long Beach. These plans may include, but are not limited to, involvement with non-profit associations, neighborhood associations, and community groups. Applicants that demonstrate involvement in the community will receive higher consideration than others. Applicants should demonstrate how they intend to provide their local community with community benefits and mitigate any nuisance and/or negative impacts that the facility's existence may cause. Applicants should show how they plan to have minimal nuisance or negative impacts on their neighbors and community. Nuisance/negative impacts include but are not limited to: noise, odor, increased foot or vehicle traffic, increase in waste or water production, impacts to right of way access, and/or increase in safety related concerns. Applicants must detail how they will revitalize the building/site, provide neighborhood improvements, and will be a beneficial/positive neighbor to the neighborhood.

Fire Plan

Applicants should provide a detailed description of their fire prevention, suppression, alarm and life safety systems. A fire inspection will be required annually to assure the City that adequate fire safety measures remain in place. An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. A detailed description of the fire prevention, suppression, alarm and life safety systems that also includes when all fire prevention measures will be submitted for approval and be operational should be required.

Labor Relations

Applicants should provide a detailed description of their plans regarding labor relations and employee relations. Labor relations include dispensary ownership partaking in a labor peace agreement with a bona fide labor organization. Applicants that pay employees a living wage (at least 200% of the Federal Poverty Level for a family of two) will receive higher consideration than applicants that do not pay a living wage to employees. The employee relations plan should provide a detailed description of employee compensation and benefits, workplace safety, educational opportunities and trainings for employees, and policies put in place against discrimination.

SCORING

Each item of the Medical Marijuana Dispensary Application will be reviewed by a panel of three City employees from various departments. Applications will be ranked according to the Priority Point System for Non-Priority Applicants. Each applicant will receive one (1) point for each criteria they meet set forth in the Priority Point System. The maximum score available for an Applicant, based on the Point System, is 23 points. All Non- Priority applicants will have their rank and total score posted on the City of Long Beach website. The Applicant's rank and score will be posted until the Applicant obtains a Medical Marijuana Dispensary Business License. All Applicants who fail to proceed to Phase III will be notified via mail and email within 10 days of the decision and they will be informed of their rank and total score, if applicable.

PHASE III

Department Reviews

All Applicants that pass Phase II are able to move on to Phase III Department Reviews. Successful Applicants eligible to move on to Phase III will be notified by mail and email.

Each application will be reviewed by the following City departments concurrently: Planning, Building, Health, Fire, Police, and Business License. City staff will process all applications in a timely manner based on available resources. Any follow up necessary (plan submittals, inspections, etc.) will be the responsibility of the Applicant to produce in a timely manner.

If any department recommends denial of the medical marijuana dispensary application, the application will be promptly rejected and the Applicant will be notified via mail and email of the basis for the denial.

When all departments have approved the medical marijuana dispensary application, the Applicant will be notified via mail and email. The Applicant will also be notified to pay the initial business license tax.

License Taxes

Each Medical Marijuana Dispensary shall pay a Gross Receipts Tax of 6% each quarter. Each quarter will be known as the "Reporting Period." The initial payment of business license tax is due before issuance of the business license. This payment will be applied toward the Gross Receipts for the Medical Marijuana Dispensary's first Reporting Period. Each quarter, the Medical Marijuana Dispensary will be reporting the taxes for the previous Reporting Period. Each Marijuana Business must pay a minimum tax of \$1,000 annually.

The Gross Receipts Tax will be due in four quarterly installments upon issuance of the business license and every quarter thereafter. Failure to submit required tax returns and taxes to the City for two consecutive reporting periods will result in the City sending notice to the Medical Marijuana Business demanding such reporting and payment within 15 days. If the Medical Marijuana Business fails to report and pay within 15 days, the City may suspend or revoke the business license.

LICENSE ISSUANCE

Awardees, upon completion of department reviews and payment of business license tax, will be issued a Medical Marijuana Dispensary Business License with appropriate conditions and Licensees may proceed with operation.

Reminder to All Applicants

All business license applications, except financial and proprietary information, become a matter of public record and shall be regarded by the City as public records. The City shall not in any way be liable or responsible for the disclosure of any such records or portions thereof if the disclosure is made pursuant to a request under the Public Records Act.

AS YOU KNOW, THE CULTIVATION, POSSESSION, MANUFACTURING, DISTRIBUTION AND SALE OF ANY TYPE OF MARIJUANA, INCLUDING MEDICAL MARIJUANA, IS PROHIBITED UNDER FEDERAL LAW. STATE LAW DOES NOT PROVIDE ANY PROTECTIONS FOR VIOLATIONS OF FEDERAL LAW. THUS, MEDICAL MARIJUANA BUSINESSES PROCEED AT THEIR OWN RISK WITH NO RECOURSE UNDER STATE OR FEDERAL LAW.

Attachments:

City of Long Beach Business License Application
City of Long Beach Medical Marijuana Business License Application
Exhibit A – Potential Priority Applicants Eligible to Operate after February 14, 2012



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT
BUSINESS RELATIONS BUREAU

MEDICAL MARIJUANA COLLECTIVE PERMIT ELIGIBLE APPLICANTS

<u>Lottery</u>	<u>Name</u>	<u>Address</u>
a30rbf	4th Street Collective Inc	1069 E Wardlow Rd
qgxc2n	Avalon Wellness Collective	1302 Gaylord St
hty6vx	The Airport Collective *Collective*	1424 E Broadway
n6hxuc	Chronic Pain Releaf Center	1501 Santa Fe Ave
o16l2j	CLB Collective	1667 W 9th St
hty6vx	The Airport Collective *Cultivation*	1725 Seabright Ave
36kb79	LB Collective Inc	1731 E Artesia Blvd
zkkqe6	Long Beach Green Room	1735 E 7th St
91qm21	Comerstone Health & Wellness	1838 E Wardlow Rd
4rincu	Emerald Beach Care	1932 E Anaheim St
fcc16e	Earthheart of Long Beach	1940 E Del Amo Blvd
jsjys4	562 Discount Med Inc	2025 E 10th St
5oqyja	RLB Collective	2119 Curry St
3jsqvs	Natural Herbal Solutions	2130 Cowles St
zdfn8h	NLB collective	2335 Long Beach Blvd
7v1iwd	Calm Collective Wellness Center	2515 E Anaheim St
xki41a	1 Love Beach Cooperative	2767 E Broadway
d6t8qk	CARE Alternative Meds	3009 South St
c3olvw	Alternate Health Collective Association	3428 Long Beach Blvd
50hjnt	Belmont Shore Natural Care *Collective*	5375 2nd St
ntfpmm	Cannabis Evaluation Center	5595 E 7th St
ahh68m	Alternative Therapeutic solution	5707 Atlantic ave
50hjnt	Belmont Shore Natural Care *Cultivation*	6635 Sarnia Ave
dnogde	Holistic Alternative Herbal Medicine	6978 Stanley Ave